PERSONAL AFFAIRS BR

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From the inception of the Agency in 1949 benefits have been available to our employees, but these benefits were administered in various components of the Agency. For example, as a residue from OSS days, claims processed under the Federal Employees' Compensation Act were handled by the Office of General Counsel; Employees Relations Branch in the Personnel Office assisted employees with counseling, illness, accident and death cases and processed separating employees; while hospitalization and insurance programs were administered from the Office of Finance.

In 1951 a Personnel Relations Branch was established in each of the two

25X1A Personnel Divisions with [redacted] as Chief of the Branch in Personnel

25X1A Division (Overt) and [redacted] Chief of the Branch in Personnel Division (Covert). These branches handled illness, accident, death cases, exit processing of separating employees and in the case of the covert Branch, missing in action cases.

Public Law 110 had provided in Section 5(a) 5(c) for payment of hospitalization expenses for employees who incurred an illness or injury while overseas on permanent assignment. The program, similar to that provided for members of

the Foreign Service of the State Department, was explored by [redacted] 25X1A

25X1A and [redacted] in Research and Plans Staff of the Office of Personnel. It was finally activated when payment was recommended and approved by Deputy

Director (Administration) in May 1953 for a claim submitted for [redacted]. 25X1A

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25X1A [redacted] who was evacuated from [redacted] in November 1952. When this case was processed, the procedure for payment, approving authority and scope of expenses to be covered were not clear. Some of the money came from Medical Office funds, and private funds, temporarily provided by the benefits officer assisting the employee's wife.

It became apparent that in order to provide an effective means of reaching and serving Agency employees, there must be a focal point to coordinate the benefit programs available to all government employees and those provided because of the particularly sensitive nature of the Agency mission. In response to this need, the Employee Services Division was formed in 1953 and included three branches, Insurance and Claims Branch, Counseling Branch and Services Branch.

<u>1953 - 1955</u>

Insurance and Claims Branch
Counseling Branch
Services Branch

[redacted] 25X1A

These three branches provided the following benefits and services: hospitalization and life insurance programs, discussed in the history of the Insurance Branch; benefits provided by the following statutes - Federal Employees' Compensation Act, Central Intelligence Act of 1949 which provided for the Overseas Hospitalization Program, Missing Persons Act; Casualty Program covering illness, accident and death cases; Counseling Program for employee problems on and off the job; advance sick leave; pre-exit and exit interviews of separating employees, incentive awards, and entrance-on-duty orientation; services such as recreation, charity drives, blood donor, bulletin boards, and Welfare Fund.

The first two years were a period of growing pains to develop policy and procedures for all of the programs, but two required particular attention, the Overseas Hospitalization Program and the Missing in Action Program. These were
25X1A the major responsibility of [redacted], Deputy Chief, Insurance and Claims
25X1A Branch and [redacted] The Claims Group which included a representative

from the Offices of General Counsel, Security and Medical Services was formed to review each overseas claim in order to lay a firm foundation for this new program. As a result of the decisions of this group, policies and standards were developed so that rgulations and handbooks for Headquarters/[redacted] 25X1

25X1A were initiated, [redacted] During Fiscal Year 1953 a total of 34 claims were processed under this authority.

The discussions of the missing in action cases which occurred in 1952, the declarations of death in 1953 which were followed in 1954 by an announcement

25X1A by [redacted] that the two staff employees were alive and other MIA cases will be a separate part of the history.

In August 1954 low-cost group life insurance was provided for most government employees and the Insurance and Claims Branch was given the responsibility for administering the Federal Employees' Group Life Insurance. Because the program became effective with very little warning and because of

25X1 the many foreign field [redacted] stations, all the resources of the Branch had to be devoted to advising employees concerning the coverage and cost of this insurance and determining whether any one wished to waive the insurance.

1955 - 1957

In the reorganization that took place in July 1955, [redacted] was 25X1A

named Chief, Casualty Affairs Branch in the Insurance and Casualty Division. This provided one branch to which employees and their dependents could turn at the time of greatest need - illness, injury or death - and obtain help and guidance in processing benefits both within as well as outside the Agency. The main functions of the Branch were processing of hospitalization claims under Public Law 110, claims incurred in performance of duty and processed under the Federal Employees' Compensation Act, retirement counseling and processing of forms under the Civil Service Retirement Act, employee emergencies as described

duty cases.

While these matters were being finalized with the Bureau of Employees' Compensation, similar meetings were being held with the Bureau of Retirement and Insurance of the Civil Service Commission to formulate a secure method of processing our retirement and death cases for covert employees.

As the result of a plane crash when five employees were killed, all the resources of the Branch were called in to service [redacted] 25X1A 25X1A [redacted]. It was obvious that in order to have flexibility to handle such situations, more Branch personnel must be familiar with the settlement of death cases and emergencies.

As the number of employees and dependents stationed overseas increased, the hardships caused by serious illnesses of dependents became a major financial and morale problem. On 21 September 1956, the Acting Director of Central Intelligence adopted the provisions of the overseas dependent medical care program of the Department of State. The authority for the Department's program is contained in Public Law 828, 84th Congress (2nd Session). The program provides for the payment of medical expenses of a dependent of a U. S. citizen employee stationed abroad arising out of an illness and injury incurred while located abroad which requires hospitalization. The program covers the cost of treatment which exceeds $35.00 up to a maximum limitation of 120 days of treatment. The dependent program like the employee covers cost of travel to the nearest suitable facility and provides for an excort if required.

Originally all overseas claims were first reviewed under the Mutual of Omaha hospitalization contract, but at the request of the underwriter the clause in the contract requiring that claims first be considered under the statutory program was enforced. As a result of this, the claims activity in Casualty

in [redacted] missing in action cases and administering the Federal Employees' Group Life Insurance.

Because of the unique position of the Agency as far as security and cover are concerned, it became increasingly important to continually develop new procedures for handling our claims with the Bureau of Employees' Compensation. Conferences were held with Cover, Security, Office of General Counsel and Medical Office as required, to determine method of referral of employees injured in performance of duty to the Public Health Dispensary or to cleared private doctors in covert cases. Key officials at BEC were understanding of the need to protect classified information and agreed to eliminate need for notarization of certain documents, requiring only witnessing by an Agency employee. In particularly sensitive death cases, regular GAO review could be done by the cleared GAO auditor assigned to the Agency. Permission was granted for the Branch to retain BEC papers such as CA-1 for record purposes normally filed in the official personnel folder.

Of particular concern during this period were psychiatric cases which seemed to be a continuing problem and about which there was a lack of understanding. As a result of a meeting with key representatives of BEC and high level Agency officials, it was agreed that when it was felt that an employee's mental condition was caused or aggravated by performance of duty, treatment could be obtained through the Bureau at Public Health facilities. At this time, however, BEC although sympathetic did not generally regard mental illness as attributable to working conditions. Of the 18 psychiatric cases submitted to the Bureau during this period, three were eventually approved after a lengthy

25X1A period of adjudication [redacted].

As a result of an opinion of the General Counsel, it was determined that the Agency may authorize payment of expenses under Public Law 110 for performance of

Affairs Branch increased considerably.

1957 - 1963

25X1A In the fall of 1957, [redacted] became Chief, Casualty Affairs Branch. Because he had been the Deputy Branch Chief since 1953 and prior to that date had been involved in the development of the statutory programs, there was no period of adjustment that often occurs in change of leadership.

With the continued growth of the Agency and the increased complexity of cover arrangements, a concerted campaign was started to make as many agency components as possible aware of the services of the Branch. Briefings were given throughout the Office of Security, Communications as well as area

25X1A Divisions. Trips were made to [redacted] to acquaint students as well as staff with the emergency program and assistance available to dependents in the event of serious illness or death.

The twenty-four hour duty concept for those on temporary duty at [redacted] 25X1

25X1 [redacted] was reaffirmed as a result of the accidental drowning of

25X1A [redacted] After thorough investigation, the Bureau of Employees' Compensation accepted his widow's claim as being in performance of duty even though the death occurred in the early evening while Subject was fishing.

Arrangements for direct liaison between representatives of the Branch and

25X1C [redacted] had been initiated for [redacted] employees as a 25X1C

25X1A result of the death of [redacted] who was killed by [redacted] 25X1A

25X1C An understanding was reached with [redacted] representatives that all notifications and processing of benefits would be handled by the Agency. This close working relationship stood the Branch in good stead through many critical situations and particularly in the case of the Saigon bombing in 1965 to be discussed latter.

[redacted]

Another noteworthy item in 1958 was the publication of the regulatory issuances and the distribution of the handbooks, [redacted] covering the statutory hospitalization programs previously discussed.

The Branch was given the additional responsibility as the central control for employees with unexplained absences. All resources of the Agency were available but by having one focal point there was more assurance that unexplained absences would be investigated and proper notifications made.

In 1959 another reorganization within the Office of Personnel transferred the functions of the Employee Relations Branch of the Personnel Operations Division to the Benefits and Services Division and included these functions in the Casualty Affairs Branch which became the Benefits and Counseling Branch. The following functions were added: (These were almost identical to the functions performed by the Counseling Branch and Services Branch in 1953 - 1955) The Pre-Exit and Exit Processing Program for separating staff employees, Employee Counseling including debt cases and counseling and interviewing for Public Service Aid Society, advance sick leave, Blood Donor Program, Charity Drives, Bulletin Boards, Recreation and Welfare Assistance Board, Entrance-on-Duty Orientation for clerical and professional employees, and notary public service. Needless to say, there was a period of adjustment to accommodate the additional personnel and provide an orientation program for all Branch personnel.

When Gary Powers was shot down 1 May 1960, much time of the Branch Chief was devoted to various aspects of this case which will be reported along with

25X1A the [redacted] case and the [redacted] 25X1A

25X1A [redacted]

25X1C [redacted]

It was apparent that for special projects, particularly those with a potential high risk feature that more careful casualty planning must be done when projects were initiated. Casualty planning for other existing projects was developed. A policy decision was made that a casualty annex would be prepared for each new project in an effort to avoid some of the confusion and uncertainties of the past. In addition the Casualty Group with representatives of the Office of Personnel (BCB Chief), Security, CI Staff and Office of General Counsel as advisor was established.

As a result of the enactment of Public Law 86-707, Overseas Differentials and Allowances Act, the Overseas Hospitalization Programs were extended to

25X1A cover [redacted] Trust territories and possessions and to reimburse employees for expenses incurred under the program while on temporary duty. At about the same time by a decision of the Deputy General Counsel, medical travel was extended to include travel expenses to the nearest suitable facility whether

or not the medical care was at Government expense.

For more than a year considerable time had been devoted to resolving the death and disability claims of the [redacted] 25X1A

25X1A [redacted] A final decision was made in 1961 that benefits would be received from the Bureau of Employees' Compensation [redacted] 25X1A

25X1 [redacted]

With the move of the Agency to the Headquarters Building in Langley, a Branch member was given the responsibility of preparing the Relocation Bulletin issued periodically to advise all employees concerning transportation, services, eating facilities and general information concerning the move.

For the first time a full time recreation officer was appointed to develop a sports program and club activities at the new location and a new employee recreation association was proposed. Because of the continuing transportation problem in reaching the new Headquarters Building the recreation officer assisted employees in finding car pools and arranged for the installation of a Car Pool Locator System. In addition, the recreation officer arranged for religious services to be held during the Lenten Season of 1963. This was the beginning of the program which was established to cover Christmas services.

Branch activity in 1962 and first half of 1963 continued to increase because of employees retiring on discontinued service annuities as a result of the separation of excess personnel and the time devoted by Branch personnel to the study of the proposed CIA retirement program. In addition, amendments to the Foreign Service Retirement Act created special problems for the processing of

25X1C retirement activities [redacted]

<u>1963 - 1968</u>

25X1 In June 1963, [redacted] was appointed Branch Chief. In November of

25X1A

1963, a new handbook on exit processing, [redacted] was published which established a new procedure for processing separating employees. A revision of the procedure was made shortly afterwards and plans were made for an Exit Processing Center to simplify the processing of separating employees.

There was a marked increase in the number of overseas hospitalization claims as well as a dramatic increase in cost. This was accounted for by the increase from $5 to $39 a day in military hospitals during the last six months of Fiscal Year 1964. Because of the low rate many dependent claims were for $35 or less and therefore referred to the Insurance Branch for payment. The

25X1A cost of the program increased from [redacted] for Fiscal Year 1963 to [redacted] 25X1A

for Fiscal 1964. A decision by the Office of General Counsel extended benefits of the overseas program to otherwise eligible employees after reporting PCS to duty. This rectified a situation which caused confusion and financial hardship for employees who, through no fault of their own, returned to duty prior to determination that they required hospitalization for a condition incurred while

25X1A located abroad. A revision of the [redacted] was prepared and put in to coordination.

As a result of the Saigon bombing in March 1965 and the injury to many Agency employees and one death, the Branch Chief and Branch technicians were involved not only in the notification of the next of kin but also in almost daily contact with the families. In addition to the processing of claims

[redacted]

25X1C

The retirement activity in the Branch continued to increase as far as actual retirement, requests for counseling were concerned. The senior retirement technician was reassigned to devote full time to the CIA Retirement Staff in May 1965. The Civil Service Retirement function and three employees were transferred to form the nucleus of the newly formed Retirement Branch of Benefits and Services Division in November 1965.

For several years prior to the Saigon bombing discussions had been held with key officials in the Bureau of Employees' Compensation concerning the maximum of $525 monthly compensation paid under the act. This maximum, established in 1949, worked a hardship on the higher grade employees injured in performance of duty. The Saigon bombing dramatically illustrated the inequity. Through the efforts of [redacted] amendments to the Federal Employees' Compensation Act were enacted in July 1966 and among other liberalized benefits raised the maximum dollar compensation to the top step of a GS-15 rather than a fixed dollar amount.

ILLEGIB

There was a reorganization in the Office of Personnel in March 1968 at which time the name of the Branch became Personal Affairs Branch.

In March 1969, the annual Savings Bond Campaign was transferred to the Office of the Fund Drive Coordinator. The documentation on the [redacted] cases was finally completed and transferred to the Bureau of Employees' Compensation. The Agency was reimbursed for payments already made.

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At long last the Welfare Assistance Board was dissolved, the functions were transferred to the Public Service Aid Society and the assets given to the Educational Aid Fund. The financial counseling and the work-up of information for presentation to the PSAS was retained in the Branch.

In January 1971 the Pre-exit function for separating employees was transferred to the Staff Personnel Division. At the same time the Branch

assumed the function of processing the separation of some contract employees.

As of January 1971, Personal Affairs Branch had the responsibility for the following programs:

Statutory Programs

1. Federal Employees' Compensation Act

2. Overseas Hospitalization Program for Employees and Dependents

3. Federal Employees' Group Life Insurance

Service Programs

Casualty Assistance
Employee Emergencies
Exit Processing
Personal Affairs Counseling
Assistance on Problems of Former Employees
Red Cross Blood Donor Program
PSAS Support
Bulletin Boards
Car Pool Locator
Income Tax Assistance
Vital Papers Repository
Religious Services

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Personal Affairs Branch History Project

FROM:	EXTENSION	NO.
OP Historical Officer 1 A 04[redacted] 25X1A		DATE 24 June 1971

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. C/BSD 5 E 61 Hqs				
2.				
3.			25X1A	
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Lee:

Per our telephone conversation this morning - having read the PAB History package, I'm convinced that it can't possibly fly and there's no point in sending it to [redacted] in its present form. Compared with other projects (Retirement, for example) it gives far too little attention to a very significant area of OP activities which have produced creditable results over the years.

Also as we discussed, this area is far too important to be treated as a footnote to [redacted] overview.

Please rework this and give it the stature it deserves among other portions of the OP History. [redacted] should be able to add a great deal of valuable material through his direct personal experience. Perhaps you could have someone elicit the information by recording an interview with him.

25X1A

[redacted]

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